

# **EXHIBIT 73**

## SOMS IMPROVEMENT PROGRAM PROGRESS – Updated 6/25/2013

Met with DEA on March 6, 2012. Since then:

- DEA Compliance has developed a SOMS improvement plan that includes:
  - initial order evaluation for direct customers
  - use of chargeback data to review indirect customers
  - customer due diligence visits (potentially of both direct and indirect customers)
- Subsequent to the DEA meeting, Sales, Corporate Compliance, Legal, Finance, Customer Service, HR and DEA Compliance met to discuss the potential conflict of interest associated with the Sales team handling the SOMS program. A decision was made to transfer the responsibility to DEA Compliance.
- IT and DEA Compliance met to determine if our current MAPICS/LOGPRO systems can handle the statistical analysis needed for initial order evaluation of direct customers. The determination was made that it cannot. As a result, bids were obtained from two vendors (Cegedim and E-Supply Link), to take on this responsibility.
- The initial contract with Cegedim had to be revised to allow for a one year versus three year contract (in anticipation of this activity transitioning to SAP). Contract has been signed and vendor meetings have begun with IT and DEA Compliance to allow for data exchange and continued visibility to order status for Customer Service.
- Meanwhile, multiple meetings have occurred with external and internal IT resources working on SAP implementation to assure all aspects of the comprehensive SOMS program are built into the new system from the start.
- Bids have been obtained from Cegedim and from PharmaCompliance for their auditors to conduct customer due diligence visits. Contracts were re-worded to assure we are not held to 50 audits. Contracts are pending signature.
- Customer SOMS contact information has been obtained by our Customer Service and Sales Teams in order for communication of our new program to those entities and to schedule customer due diligence visits where needed.
- Funding for the comprehensive improvement program was estimated based on the above bids and a headcount needs assessment was performed (one manager, three analysts). Necessary funding is just under \$1M. After several meetings, the bulk of the funding was approved by the team on 4/23/2013. The original plan was revised to include a SOMS Manager, a SOMS Analyst and two temp-to-perm analysts. The temporary positions would be converted to permanent - if the number of orders needing further investigation is sufficient to warrant it.
- Wrote job descriptions for the SOMS Manager, SOMS Analyst (permanent & two temps). Routed through Compensation for grading and HR for approval/posting.

- DEA Compliance held meetings with our in-house chargeback expert to explain the reports and data feeds we would need in order to begin using chargeback data to evaluate our customer's customers. The chargeback expert has been performing a data scrub and developing the report templates. Challenges do exist as a result of the volume of data that any queries would need to search through and the fact that our chargeback information comes in through both EDI and spreadsheets. We are working with IT to see if a solution exists to speed the process, allow data to be filtered distinctly as needed and provide visibility to data feeds without sorting through numerous spreadsheets. We have also held discussions with an external vendor (IQ20/20), regarding the possibility of sending our chargeback data to them for dashboard set-up that may be beneficial to both the Chargeback team and the DEA Compliance team.
- The next two weeks will be spent evaluating the applicants for the approved positions and determining the communication methods to be used for alerting our customers to the upcoming changes.